



December 18th, 2020 | No.4

FOUNDATIONS DURING COVID-19 PANEL

REFLECTIONS ON SESSION 4 [NOVEMBER, 2020]

The monthly participation of foundation leaders (from private, community, corporate, public and DAF sponsor foundations) in this online study of their work in response to COVID-19 is greatly appreciated. The aim of this Delphi study is to understand the evolving challenges and adaptations of foundations during this time of enormous societal and economic turbulence. By providing regular feedback, the intent is to foster learning to assist the work of foundations, their grantees and collaborators.

In each session we track key aspects of philanthropic work to assess how foundations might be changing over time. We also follow evolving understandings of how COVID-19 will influence the future of the charitable and philanthropic sectors.

Each session, we take a closer look at issues you noted as important. In this fourth session, we took a deeper dive into how the second wave of the pandemic is effecting foundations.

Changing Landscape

The perception of the change that has occurred since the beginning of the pandemic has been remarkably consistent over time. Excepting the initial session where panelists rated a median change of 7 out of 10 (1-no change to 10-great deal of change), the subsequent three sessions stayed consistent at a median perceived change of 6. This points to an enduring perception of the initial shock to foundations' work brought on by the pandemic. Foundations had to pivot their activities in unprecedented ways which which has continued to affect their work. However, when asked about changes to their activities since the last session in September, panelists noted that their activities had changed less between September and now than during the summer (average change of 4 and a median of only 3).

Second Wave and Foundations' Work

Panelists were asked how the second wave of cases has affected their work. Many panelists noted that since they were expecting a second wave, they had prepared in various ways. For instance, some discussed the continuation and even expansion of collaboration and increased communication and reporting activities. Although some foundations have onboarded new staff (and only one indicated layoffs), staff are starting to feel the "pandemic fatigue" as the pace and scope has not slowed down and the prospects of returning to offices has diminished. A panelist noted:

“Maybe saying the work has changed is too strong. The volume of granting this fall has been unprecedented for our foundation. That means a corresponding increase in the communications output, and less time for everything else. So it's a squeeze.”

Several panelists have noted how issues of equity and diversity have now been added as a formal component of their work. One panelist noted: *“On continue d'intégrer les enjeux de l'heure comme: Équité, diversité, inclusion.”*

Despite the second wave looming, panelists discussed numerous changes and activities happening in their organizations from end-of-year pressures, shifting priorities, and expanding granting as a result of learning and integrating lessons from the beginning of the pandemic. Some discussed how priorities and strategies have refocused: *“we have refocused our funding priorities with a COVID lens”, “The work has just clarified, and we can now see a solid strategy moving forward.”*

“This means that we are reflecting deeply and actively on our role in the community, our niche, our theory of change, how we collaborate and with whom, etc. All this is informed by the way we have worked since March in responding affects the community of COVID and the learnings we have made through the distribution of the emergency funds. I would add that we are just now able to take a step back and ensure that we are harvesting our learnings in an intentional manner.”

DAFs & Change

Despite DAF holders (37% of panelists) noting that their activities remained relatively unchanged as a result of the COVID-19 pandemic (a median of 5 on a scale from 1 to 10-great deal of change), when asked to reflect the change in comparison to the preceding session, the change is much more pronounced. For instance, early in the summer DAF holders noted little change to their activities (median of 1 on a scale from 1 to 10) but later in the summer noted a median change of 4. And since last September median change was 5, with answers ranging from 1 to 9 on a scale of 10. This delayed change will be interesting to understand in remaining sessions.

How Foundations have Adapted to Change

In general, panelists believe that their foundations have adapted well during the pandemic (a median of 8 out of 10). These perceptions of their level of adaptiveness are extremely consistent across the four sessions to-date (from May to November).

In Session 3 we began to conceive of adaptation as various phases. Panelists helped to define five pandemic response phases, as well as associated key priorities and actions. The five phases are:

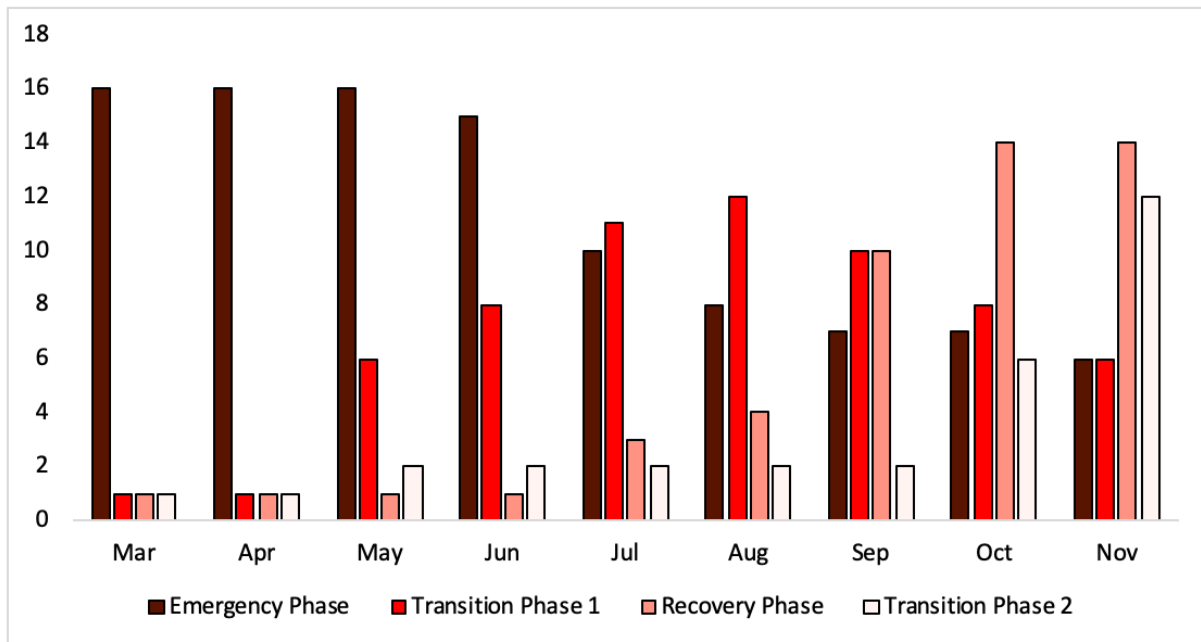
- (1) **Emergency Phase:** addressing the acute crisis, creating emergency funds, faster giving, faster pace of work, adopting new modes of work, etc.;
- (2) **Pre-recovery Transition Phase:** preparing for recovery and change through knowledge gathering, conversations, evaluating work to-date, assessing needs, etc.;
- (3) **Recovery Phase:** supporting medium to longer term community needs, rebuilding organizations and social infrastructure, new grantmaking, new priorities, etc.;
- (4) **Pre-reinvention Transition Phase:** preparing for reinvention, conversations, evaluating work to-date, assessing needs, etc.; and
- (5) **Re-invention Phase:** supporting systems change, fundamentally new approaches, reorienting the work of the foundation, preparing for future crises, etc..

Participants perceive themselves to be further along in the pandemic crisis cycle than we might have expected. When asked to select the phase in which their foundation is currently situated, participants most frequently placed themselves in phases 2 (n=5), 3 (n=6), and 4 (n=6). Notably, only one participant situated themselves as primarily in the emergency phase. This was somewhat surprising to the researchers given the ongoing second wave of the pandemic. However, it may reflect foundations having moved into the recovery phase while also continuing emergency supports during the second wave. None said that they were in the final phase, reinvention.

Panelists were asked to reflect on how others answered this question about phases. Many noted that the responses were as they had expected, although a few expressed skepticism about the number of foundations who placed themselves in phase 4. Overall, foundations see themselves as having learned from the acute crisis during the pandemic's first wave and many are in a position of looking ahead to the future while "girding [them]selves" for a longer second wave.

The chart below shows the number of foundations that reported being in each phase in the each of the nine months since the pandemic began. Intuitively, foundations have been in the first phase (emergency) for the longest duration, while they have only recently begun the fourth phase (pre-reinvention transition). The chart also confirms the high degree of overlap between these phases: foundations are undertaking multiple phases simultaneously, rather than viewing each phase as a discrete step.

Chart. Pandemic Phases by Month, Frequency of Foundations



Participating foundations have been in the emergency phase for the longest period of time, with most reporting a median six months in this phase. Foundations began the emergency phase in March and began to leave this phase in June, although six foundations (32%) report still being in this phase in November. For most foundations (n=13), the pre-recovery transition phase began in May-August. However, the greatest number of foundations reported being in the pre-recovery transition phase (whether starting the phase that month or not) in August (n=12). Foundations report being in the pre-recovery transition phase for a median of three months. Next, most foundations report beginning the third phase – recovery – in September and October (n=11). The largest number of foundations were in the recovery phase (whether starting the phase that month or not) in October and November (n=14). The median foundation has been in the recovery phase for three months. Finally, of those foundations that have started the fifth phase – pre-reinvention transition – most started in October or November (n=10). November is the month in which the greatest number of foundations were in this phase (whether starting it that month or not). The median foundation has been in the pre-reinvention transition phase for one month.

Table. Pandemic Phases, Mean and Median Duration

	Emergency Phase	Pre-recovery Transition Phase	Recovery Phase	Pre-reinvention Transition Phase
Mean Duration (Months)	5.9	3.7	2.9	1.8
Median Duration (Months)	6	3	3	1
Highest Frequency Month(s)	March, April, May (16)	August (12)	October, November (14)	November (12)
Foundations Not Having Started this Phase	0	1	2	5

Although the five pandemic crisis phases are overlapping, they are not indefinite. Participants were asked to reflect on when they knew it was time to move to the next phase, if applicable. Foundation leaders saw the end of the emergency phase primarily in terms of granting cycles. When emergency granting has concluded, that is a signal that the emergency phase has concluded. They also report moving to the next phase when the urgency of stakeholder requests changed and when needs became more long-term in nature. Participants identified the end of the pre-recovery transition phase when planning coalesced into concrete recovery activities. Participants said that they would know that they were moving out of the recovery phase and into the pre-reinvention transition phase when they started to focus on efforts “beyond COVID.” Participants noted some confusion about both the pre-recovery and pre-reinvention transition phases.

Challenges

The prospects of a second wave highlighted perhaps one of the core, unaddressed challenges of the pandemic for people in the sector: “*zoom fatigue*.” Panelists noted the challenging nature of remote work – including how time-intensive it can be – and the intensity of the work creating a general pandemic fatigue. One participant said: “*Remote work for the team has made all processes much more time intensive*”. Another noted: “*Ne toujours pas pouvoir faire de visite de terrains, la "zoom fatigue" et fatigue générale de devoir tout faire par mail*.” A third expressed that: “*Building intentional mechanisms within the team to ensure connection and meaningful exchanges. In a context where many people are feeling isolated and fatigued from working at home, this has been crucial to develop and maintain strong working relationships and a sense of a team working towards a common goal*.”

When asked which aspects of the panelists’ work had been the most challenging to manage, answers converged around these five aspects:

1. Pace of work and workload management (24%)
2. Pandemic fatigue (17%)
3. Adaptation of strategies (13%)
4. Deciding who to fund (11%)
5. Managing the board (11%)

None of the panelists mentioned that the following were in their top three most challenging aspects:

1. Coordinating DAFs or other grants
2. Managing grants
3. Communicating
4. Collaborating with government

Collaboration

Foundations are engaging in more collaboration. When asked how the extent of collaboration with other organizations has changed since the last session in September, 47% of participants stated that they were either engaging in more or ‘about the same’ amount of collaboration, with only 5% stating that they were engaging in less. By comparison, in September when we asked this same question, only 24% of participants stated that they were engaging in more collaboration, while 18% stated that they were collaborating less and 59% ‘about the same as before’.

Participants have indicated that their foundations are finding value in being able to consult with one another on pandemic and systems changes related issues. Foundations are communicating more and are finding value in being able to share information, research and other resources. Many participants are seeing benefits in being able to collaborate more with one another, as well as with governments, regional foundations, and community organizations.

Engagement with the Board

A set of questions explored the role of foundation boards during the pandemic. In terms of how their boards operate, 68% of panelists described theirs as a “Governance Board” which sets policies and the general direction of the foundation, and only 11% (2 panelists out of 19) indicated theirs is a working board, engaged (1 panelist) or hands-off (1 panelist).

When considering how their boards have been responding to the pandemic, about half of the panelists noted that their boards’ involvement had remained about the same, 23% noted an increased involvement in strategy and 14% an increased in operations. Overall, there seems to have been increased discretion accorded to management by providing greater flexibility to make decisions within the framework of the organization. Many noted a better alignment with management and overall increased board support and engagement. Few noted that their boards were not involved or did not do anything different to respond to the pandemic. Some were very positive toward the renewed engagement of the board: “More engaged, in crisis management in term of the heightened activity- has brought anew freshness in thought, new ideas and ways of doing things, and willingness to try them.”

Most of panelists didn’t expect a different response from their boards but signaled the need for greater recognition of the efforts made by the staff.

Community Foundations

In this session, we examined in more depth the work and challenges faced by community foundations. A major challenge for community foundations has been sorting and distributing new funding in a timely manner. The majority of community foundations’ current COVID-19 related grant-making is from the federal government’s Emergency Community Support Fund (ECSF). 83% of community foundation leaders indicated that the ECSF had significantly changed the work of their foundation. Provision of the ECSF has caused foundations to be much busier, but has also provided greater opportunities in terms of hiring additional staff, better funding for current as well as new projects, and enabling new or expanded granting streams.

Exploring Systems Change

In many of our sessions, the panelists have talked about ‘systems change,’ particularly as foundations look to rebuilding the sector and society, and to addressing big issues of racial justice, inequality and climate change. Yet, we are not sure that when we talk about systems change we all mean the same thing. In this round, we asked, ‘what does systems change mean to you?’ The responses were very consistent, although several panelists noted this is not a simple question.

Stated in various ways, the most common definition is that systems change means addressing root causes of systemic problems and making transformational change, rather than short-term ‘band-aid’ fixes for the symptoms. It implies working through an equity lens.

A first step is understanding systems as they exist today, with research to know what is working and what isn’t, and why. Innovation is a core aspect: organizations likely need to fundamentally change their processes, methodologies and funding horizons, taking a long-term view and investing in social infrastructure. Pilot testing can be useful to see if the desired change actually occurs, and then shifting as needed. Change on this scale means working together, *“du faire seul au faire ensemble.”*

The upstream innovation and long-term investment, however, can give rise to tensions between meeting immediate needs in the community and working on longer term solutions, although these are not mutually exclusive.

Advocacy for policy change was noted by one panelist, who also suggested that foundations may not yet be fully comfortable with advocacy.

Systems change has deeper implications for philanthropy as its own system, as noted by two panelists: *“changing the role of philanthropy that has been built upon and upheld system inequality”* and *“un renversement des paradigmes sur lesquels repose le modèle philanthropique actuel (capitalisme et colonialisme).”*

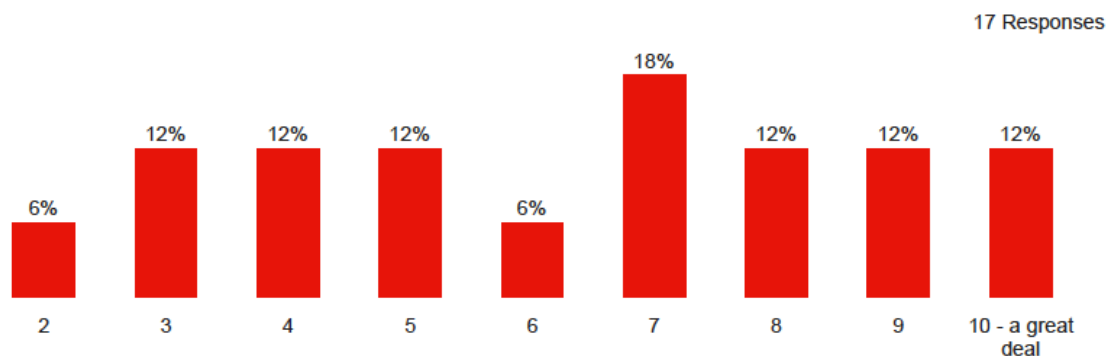
To what extent are foundations seeking to adopt a systems change agenda?

The Panel is tilted toward seeking a systems change agenda: 54 % rated their interest as 7 or more, while 30 % rated such an agenda as 4 or less. No one said their foundation has no interest in pursuing systems change.

In the second round, we asked how these ratings, as shown on the following chart, accord with the expectations of other panelists. Half of participants said, that the distribution is about what they would expect, and noted that adopting a systems change approach is a journey that, even for those so intentioned, it may take time. While two participants said they would have hoped to have seen more foundations above 5, two were pleasantly surprised that there were so many on the upper end of agenda adoption.

“I will be really curious to understand more fully what this means and what this looks like. Also, how impact is being measured and if this means, at least in part, making longer-term gifts that go beyond project based funding. Curious how much advocacy is being funded and capacity building. Lots of questions about this!”

SysChan S4 R1 2 - To what extent does your foundation seek to adopt a systems change agenda?



Next, we asked '*what would foundations need to do to adopt a systems change approach?*' The actions noted by two or more panelists are:

- Set goals/strategy, then design processes to deliver, review and refresh regularly
- Evolve and learn: some foundations are taking baby steps to ensure they can identify and prioritize what works
- Getting the board onboard, including adopting a theory of change and impact measurement
- Greater research into what works and greater transparency
- Greater use of unrestricted and long term funding

In addition, one panelist stressed the need for greater involvement in public policy work.

"A systems change agenda has to happen within the philanthropic sector itself, shifting our own mindsets and cultures away from a charity model and to a justice model. An important step in moving towards this is a fundamental way is alignment with our board, which we are working towards."

In Round 2 we asked panelists to rate the top three things, from a list of actions, that would assist foundations in being effective at systems change. The most important were: funding for the long term; supporting infrastructure and capacity in the sector; involve and educate the board; and support advocacy, particularly by equity-seeking groups.

SysChange S4R2 2 - To be effective at systems change, you indicated that there are certain things foundations need to do. Which are the most important? Please select the top three. - Selected

Choice

Field	18 Responses Percentage of Choices
Fund for the long term	18%
Support infrastructure and capacity in the charitable sector	12%
Involve and educate Board members	12%
Increase networks and partnerships	12%
Support advocacy, particularly by equity-seeking groups	8%
Fund more strategically	8%
Increase access to unrestricted funding	8%
Increase public awareness of causes	6%
Create more space for discussion	6%
Other	4%
Increase involvement in public policy	2%
Re-design the organization's processes and systems with clear goals in mind	2%
Constantly review and revise internal systems	2%
Identify and prioritize key areas	0%

Future of the Philanthropic and Charitable Sector

Things are moving very quickly and it has been difficult for charities to keep up during these trying times. When asked about concerns for the future of the philanthropic and charitable sector as a whole, participants are generally not optimistic about the future of charities. Most participants indicated that their concerns for the future of the sector have either not changed or have increased in the past month. 53% of participants indicated that since the last round, their concerns that many charities would not survive the pandemic had increased, while 41% said that their concerns had remained the same.

The second wave and the subsequent strain that this has had on the sector, has set charities back even further and made their abilities to plan and fundraise for the future even more difficult. The charitable sector is viewed as becoming fragile due to decreasing funds/donations and there are consistent concerns that many charities will either close or need to merge in order to survive this pandemic. The merging of charities has led people in the field to question whether or not we need as many charities as we currently have, or if the merging taking place now has refined systems and eliminated duplication within the sector.

Participants have indicated that in order to address charity insolvency, significant government support is required. Charities themselves also need to start rethinking their business models and thinking about the new models needed for the charitable sector to function more effectively as a whole.

Any questions?

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